



General Assembly

**Substitute Bill No. 1374**

January Session, 2007

\* SB01374ET 031307 \*

**AN ACT CONCERNING ELECTRICITY PROCUREMENT AND ENERGY EFFICIENCY.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (c) of section 16-244c of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective from*  
3 *passage*):

4 (c) (1) On and after January 1, 2007, each electric distribution  
5 company shall provide electric generation services through standard  
6 service to any customer who (A) does not arrange for or is not  
7 receiving electric generation services from an electric supplier, and (B)  
8 does not use a demand meter or has a maximum demand of less than  
9 five hundred kilowatts.

10 (2) Not later than October 1, 2006, and periodically as required by  
11 subdivision (3) of this subsection, but not more often than every  
12 calendar quarter, the Department of Public Utility Control shall  
13 establish the standard service price for such customers pursuant to  
14 subdivision (3) of this subsection. Each electric distribution company  
15 shall recover the actual net costs of procuring and providing electric  
16 generation services pursuant to this subsection, provided such  
17 company mitigates the costs it incurs for the procurement of electric  
18 generation services for customers who are no longer receiving service  
19 pursuant to this subsection.

20       (3) [An] Until December 31, 2007, an electric distribution company  
21 providing electric generation services pursuant to this subsection shall  
22 mitigate the variation of the price of the service offered to its customers  
23 by procuring electric generation services contracts in the manner  
24 prescribed in a plan approved by the department. Such plan shall  
25 require the procurement of a portfolio of service contracts sufficient to  
26 meet the projected load of the electric distribution company. Such plan  
27 shall require that the portfolio of service contracts be procured in an  
28 overlapping pattern of fixed periods at such times and in such manner  
29 and duration as the department determines to be most likely to  
30 produce just, reasonable and reasonably stable retail rates while  
31 reflecting underlying wholesale market prices over time. The portfolio  
32 of contracts shall be assembled in such manner as to invite  
33 competition; guard against favoritism, improvidence, extravagance,  
34 fraud and corruption; and secure a reliable electricity supply while  
35 avoiding unusual, anomalous or excessive pricing. The portfolio of  
36 contracts procured under such plan shall be for terms of not less than  
37 six months, provided contracts for shorter periods may be procured  
38 under such conditions as the department shall prescribe to (A) ensure  
39 the lowest rates possible for end-use customers; (B) ensure reliable  
40 service under extraordinary circumstances; and (C) ensure the prudent  
41 management of the contract portfolio. An electric distribution  
42 company may receive a bid for an electric generation services contract  
43 from any of its generation entities or affiliates, provided such  
44 generation entity or affiliate submits its bid the business day preceding  
45 the first day on which an unaffiliated electric supplier may submit its  
46 bid and further provided the electric distribution company and the  
47 generation entity or affiliate are in compliance with the code of  
48 conduct established in section 16-244h.

49       (4) On and after January 1, 2008, an electric distribution company  
50 providing electric generation services pursuant to this subsection shall  
51 mitigate the variation of the price of the service offered to its customers  
52 by procuring electric generation services in the manner prescribed in a  
53 standard service procurement plan approved by the department. Such

54 plan shall specify the method for purchasing power for standard  
55 service, and may require the electric distribution company to (A)  
56 procure load following, full requirements service contracts in a manner  
57 similar to that pursuant to subdivision (3) of this subsection; (B)  
58 procure individual electric supply components electricity directly from  
59 a supplier, or generator, including, but not limited to, base load,  
60 intermediate and peaking energy resource, capacity and other power  
61 supply services, using both requests for proposals and bilateral  
62 contracts outside the request for proposal process; and (C) procure  
63 physical and financial hedges to manage prices, including, but not  
64 limited to, tolling arrangements and financial transmission rights. Such  
65 plan shall describe how an electric distribution company shall, over  
66 time, transition to its new supply aggregation role as described in this  
67 section from the current method of procuring power supply pursuant  
68 to subdivision (3) of this subsection to a mix of the procurement  
69 options described in this section. Once its procurement plan has been  
70 approved by the department, an electric distribution company shall be  
71 allowed to manage the power supply portfolio on a real-time basis,  
72 thereby enabling it to optimize supply for the benefit of customers. The  
73 department shall set standard service rates annually by combining the  
74 costs of the arrangements undertaken under the procurement plan,  
75 provided such rates will be trued up to actual revenues and expenses  
76 twice per year, with any over or under recovery being included in  
77 either the current period or subsequent standard service rate, as  
78 determined by the department. An electric distribution company shall  
79 be entitled to collect the reasonable costs it incurs to provide such  
80 service.

81 [(4) The] (5) In approving the plans pursuant to subdivisions (3) and  
82 (4) of this subsection, the department, in consultation with the Office of  
83 Consumer Counsel, shall retain the services of a third-party entity with  
84 expertise in the area of energy procurement to oversee the initial  
85 development of the request for proposals and the procurement of  
86 contracts by an electric distribution company for the provision of  
87 electric generation services offered pursuant to this subsection. Costs

88 associated with the retention of such third-party entity shall be  
89 included in the cost of electric generation services that is included in  
90 such price.

91 [(5) Each] (6) For resources acquired pursuant to a request for  
92 proposal process, each bidder for a standard service contract shall  
93 submit its bid to the electric distribution company and the third-party  
94 entity who shall jointly review the bids and submit an overview of all  
95 bids together with a joint recommendation to the department as to the  
96 preferred bidders. The department shall make available to the Office of  
97 Consumer Counsel and the Attorney General all bids it receives  
98 pursuant to this subsection, provided the Office of Consumer Counsel  
99 and the Attorney General shall not make the bids available to the  
100 public until the department does so. The department may, [within ten]  
101 not later than two business days [of] after submission of the overview,  
102 reject the recommendation regarding preferred bidders. In the event  
103 that the department rejects the preferred bids, the electric distribution  
104 company and the third-party entity shall rebid the service pursuant to  
105 this subdivision. For other resources acquired by an electric  
106 distribution company pursuant to subdivision (4) of this subsection,  
107 such company shall submit information on such acquisitions to the  
108 department as shall be specified in the procurement plan.

109 Sec. 2. (NEW) (*Effective from passage*) Not later than January 1, 2008,  
110 and annually thereafter, the electric distribution companies, in  
111 consultation with the regional independent system operator and the  
112 Energy Resources Procurement Board, shall develop and submit an  
113 integrated resource plan to the Department of Public Utility Control  
114 that analyzes, over the short term and long term, the state's electricity  
115 energy resources, and specifies actions for acquiring such resources  
116 into the future from the broadest possible range of options. The plan  
117 shall consider and enable the use of all forms of resources that would  
118 provide benefits to customers, including, but not limited to, energy  
119 efficiency, new and existing conventional and renewable generation,  
120 and distributed generation. The plan shall focus on obtaining resources  
121 on a cost-of-service basis.

122 Sec. 3. Subsection (j) of section 16-19b of the general statutes is  
123 repealed and the following is substituted in lieu thereof (*Effective July*  
124 *1, 2007*):

125 (j) [Any] In order to ensure that the interests of gas and electric  
126 distribution companies are aligned with customer interests in reducing  
127 energy costs by severing the link between sales levels and recovery of  
128 costs, any purchased gas adjustment clause or energy adjustment  
129 clause approved by the department may include a provision designed  
130 to allow the electric or gas company to charge or reimburse the  
131 customer for any under-recovery or over-recovery of overhead and  
132 fixed costs due solely to the deviation of actual retail sales of electricity  
133 or gas from projected retail sales of electricity or gas. The department  
134 shall include such provision in any energy adjustment clause approved  
135 for an electric company if it determines (1) that a significant cause of  
136 excess earnings by the electric company is an increase in actual retail  
137 sales of electricity over projected retail sales of electricity as  
138 determined at the time of the electric company's most recent rate  
139 amendment, and (2) that such provision is likely to benefit the  
140 customers of the electric company. The department shall include such  
141 provision in any purchased gas adjustment clause approved for a gas  
142 or electric distribution company or energy adjustment clause approved  
143 for an electric distribution company on or after the issuance of a final  
144 decision in a proceeding on amendments to rate schedules for such  
145 company, but not later than January 1, 2009. The department shall not  
146 consider the existence of such provision in determining the return on  
147 equity of such company.

148 Sec. 4. (NEW) (*Effective July 1, 2007*) (a) The Department of Public  
149 Utility Control shall, in coordination with the Energy Conservation  
150 Management Board, established pursuant to section 16-245m of the  
151 general statutes, as amended by this act, establish a state-wide energy  
152 efficiency and outreach marketing campaign to target the following  
153 sectors: (1) Commercial, including small businesses, (2) industrial, (3)  
154 governmental, (4) institutional, including schools, hospitals and  
155 nonprofits, (5) agricultural, and (6) residential.

156 (b) The goals of the campaign established pursuant to subsection (a)  
157 of this section shall include, but not be limited to, (1) educating  
158 residents on the benefits of energy efficiency, (2) motivating said  
159 residents to take action to achieve lasting energy savings, (3) educating  
160 and informing said residents about the real-time energy reports  
161 prepared pursuant to section 6 of this act and the real-time energy alert  
162 system prepared pursuant to section 7 of this act, and (4) supporting  
163 the energy efficiency programs already in existence.

164 (c) On or before October 1, 2007, the department shall develop a  
165 plan to meet the goals of said campaign pursuant to subsection (b) of  
166 this section and, on or before January 1, 2008, the department shall  
167 implement said plan. Said plan shall include a coordinated range of  
168 marketing activities and outreach strategies, including, but not limited  
169 to, television, radio and newspaper advertisements, printed  
170 educational materials, events, a comprehensive web site resource  
171 serving all sectors, a biweekly electronic newsletter, planning forums  
172 and meetings throughout the state, and partnerships with businesses,  
173 government entities and nonprofit organizations.

174 Sec. 5. Subsection (c) of section 16-245m of the general statutes is  
175 repealed and the following is substituted in lieu thereof (*Effective July*  
176 *1, 2007*):

177 (c) The Department of Public Utility Control shall appoint and  
178 convene an Energy Conservation Management Board which shall  
179 include representatives of: (1) An environmental group knowledgeable  
180 in energy conservation program collaboratives; (2) the Office of  
181 Consumer Counsel; (3) the Attorney General; (4) the Department of  
182 Environmental Protection; (5) the electric distribution companies in  
183 whose territories the activities take place for such programs; (6) a state-  
184 wide manufacturing association; (7) a chamber of commerce; (8) a  
185 state-wide business association; (9) a state-wide retail organization;  
186 (10) a representative of a municipal electric energy cooperative created  
187 pursuant to chapter 101a; (11) two representatives selected by the gas  
188 companies in this state; [and] (12) residential customers; (13) a

189 representative of the educational sector; (14) a representative of state  
190 hospitals; (15) a representative of nonprofit organizations; (16) a  
191 representative of the transportation sector; and (17) a representative of  
192 the agricultural sector. Such members shall serve for a period of five  
193 years and may be reappointed. Representatives of the gas companies  
194 shall not vote on matters unrelated to gas conservation.  
195 Representatives of the electric distribution companies and the  
196 municipal electric energy cooperative shall not vote on matters  
197 unrelated to electricity conservation.

198       Sec. 6. (NEW) (*Effective July 1, 2007*) (a) As part of the energy  
199 efficiency and outreach marketing campaign established pursuant to  
200 section 4 of this act, the Department of Public Utility Control shall, in  
201 consultation with the Energy Conservation Management Board,  
202 established pursuant to section 16-245m of the general statutes, as  
203 amended by this act, develop a real-time energy report for use on  
204 television and other media as part of daily weather reports. The report  
205 shall (1) identify the state's current real-time energy demand, along  
206 with how the demand has changed over the course of the day, and in  
207 the case of television news broadcasts, the real-time change between  
208 the beginning and end of the broadcast; (2) emphasize the importance  
209 of reducing peak demand and provide estimates of the money leaving  
210 the state and country because of our dependence on fossil fuels; and  
211 (3) provide tips on conservation measures, promote community and  
212 business competition to reduce energy consumption and give visibility  
213 to communities and businesses that have implemented energy saving  
214 changes or that are using renewable resources.

215       (b) The department shall get the information needed to develop the  
216 real-time energy reports established pursuant to subsection (a) of this  
217 section from the regional independent system operator.

218       (c) The department shall adopt regulations, in accordance with the  
219 provisions of chapter 54 of the general statutes, to determine the  
220 parameters of developing the real-time energy report established  
221 pursuant to subsection (a) of this section.

222       Sec. 7. (NEW) (*Effective July 1, 2007*) (a) As part of the energy  
223 efficiency and outreach marketing campaign established pursuant to  
224 section 4 of this act, the Department of Public Utility Control shall, in  
225 consultation with the Energy Conservation Management Board,  
226 established pursuant to section 16-245m of the general statutes, as  
227 amended by this act, develop a real-time energy electronic mail and  
228 cellular phone alert system to notify the public of the need to reduce  
229 energy consumption during peak power periods.

230       (b) The Department of Public Utility Control shall adopt  
231 regulations, in accordance with the provisions of chapter 54 of the  
232 general statutes, to determine the parameters of the real-time energy  
233 electronic mail and cellular phone alert system established pursuant to  
234 subsection (a) of this section.

235       Sec. 8. (NEW) (*Effective July 1, 2007*) (a) On or before September 1,  
236 2007, the Department of Education, in consultation with the  
237 Department of Public Utility Control, electric distribution companies  
238 and interested manufacturers of compact fluorescent light bulbs, shall  
239 (1) establish a week-long promotional event, to be known as "See the  
240 Light Week", in late September or early October each year, that will  
241 promote renewable energy and energy conservation, (2) encourage  
242 and solicit school districts, individual schools and other educational  
243 institutions under the jurisdiction of the Department of Education to  
244 participate in a state-wide compact fluorescent light bulbs fundraiser  
245 established pursuant to subsection (b) of this section, and (3) provide  
246 outreach, guidance and training to districts, parent and teacher  
247 organizations and schools concerning the value of renewable energy.

248       (b) (1) The Department of Public Utility Control shall, in  
249 consultation with the Department of Education and the Energy  
250 Conservation Management Board, established pursuant to section 16-  
251 245m of the general statutes, as amended by this act, develop and  
252 implement a state-wide fundraiser for all public schools, in which  
253 students would sell compact fluorescent light bulbs. The participating  
254 schools would earn a portion of each sale.

255 (2) The Department of Public Utility Control shall establish a sales  
256 target for the state-wide fundraiser developed pursuant to subdivision  
257 (1) of this subsection, as well as adopt regulations, in accordance with  
258 the provisions of chapter 54 of the general statutes, to determine the  
259 parameters of said fundraiser.

260 Sec. 9. (NEW) (*Effective July 1, 2007*) (a) On or before October 1, 2007,  
261 the Department of Public Utility Control shall establish a plan to  
262 implement a voluntary rate program that will add a fourth tier to the  
263 rates required pursuant to section 16-243n of the general statutes. Said  
264 program shall (1) establish the surcharge on peak rates, which shall  
265 apply to high-demand peak days, for customers choosing to  
266 participate, (2) encourage a shift of demand, and (3) include an  
267 educational component.

268 (b) The department shall establish parameters for the program  
269 established in subsection (a) of this section, including, but not limited  
270 to, facilitating the delivery of meters. The department shall implement  
271 said program on or before June 1, 2008.

272 Sec. 10. (NEW) (*Effective July 1, 2007*) (a) On and after October 1,  
273 2007, the Department of Public Utility Control shall, in consultation  
274 with the Department of Environmental Protection and the Department  
275 of Public Works, establish a grant program for clean and distributive  
276 generation, generated from a Class I renewable energy source, projects  
277 for businesses and state buildings.

278 (b) The Department of Public Utility Control shall award grants  
279 under said program as follows: (1) Not more than twenty-five million  
280 dollars to fuel cell projects, and (2) not more than twenty-five million  
281 dollars for all other clean and distributive generation projects.

282 (c) The Department of Public Utility Control shall adopt regulations,  
283 in accordance with the provisions of chapter 54 of the general statutes,  
284 to set the parameters of said grant program.

285 Sec. 11. (*Effective July 1, 2007*) (a) For the purposes described in

286 subsection (b) of this section, the State Bond Commission shall have  
287 the power, from time to time, to authorize the issuance of bonds of the  
288 state in one or more series and in principal amounts not exceeding in  
289 the aggregate fifty million dollars.

290 (b) The proceeds of the sale of said bonds, to the extent of the  
291 amount stated in subsection (a) of this section, shall be used by the  
292 Department of Public Utility Control for the purpose of the grant  
293 program established in section 10 of this act.

294 (c) All provisions of section 3-20 of the general statutes, or the  
295 exercise of any right or power granted thereby, which are not  
296 inconsistent with the provisions of this section are hereby adopted and  
297 shall apply to all bonds authorized by the State Bond Commission  
298 pursuant to this section, and temporary notes in anticipation of the  
299 money to be derived from the sale of any such bonds so authorized  
300 may be issued in accordance with said section 3-20 and from time to  
301 time renewed. Such bonds shall mature at such time or times not  
302 exceeding twenty years from their respective dates as may be provided  
303 in or pursuant to the resolution or resolutions of the State Bond  
304 Commission authorizing such bonds. None of said bonds shall be  
305 authorized except upon a finding by the State Bond Commission that  
306 there has been filed with it a request for such authorization which is  
307 signed by or on behalf of the Secretary of the Office of Policy and  
308 Management and states such terms and conditions as said commission,  
309 in its discretion, may require. Said bonds issued pursuant to this  
310 section shall be general obligations of the state and the full faith and  
311 credit of the state of Connecticut are pledged for the payment of the  
312 principal of and interest on said bonds as the same become due, and  
313 accordingly and as part of the contract of the state with the holders of  
314 said bonds, appropriation of all amounts necessary for punctual  
315 payment of such principal and interest is hereby made, and the State  
316 Treasurer shall pay such principal and interest as the same become  
317 due.

318 Sec. 12. (NEW) (*Effective July 1, 2007*) On and after July 1, 2007, and

319 not later than July 1, 2017, the Secretary of the Office of Policy and  
320 Management shall provide a five-hundred-dollar rebate for the  
321 purchase and installation in residential structures of replacement  
322 natural gas, propane and oil furnaces and boilers that are not less than  
323 eighty-four per cent efficient. Such rebates shall not exceed five million  
324 dollars in aggregate per year. Persons may apply to the secretary, on a  
325 form prescribed by the secretary, to receive such rebate. The rebate  
326 shall be available for only a residential structure containing not more  
327 than four dwelling units. Eligibility for said rebate program shall  
328 coincide with the guidelines set forth in subsection (c) of section 12-  
329 704c of the general statutes. The costs of the rebates pursuant to this  
330 section shall be recovered through the systems benefit charge  
331 established pursuant to section 16-245l of the general statutes.

332 Sec. 13. (NEW) (*Effective July 1, 2007*) The Department of  
333 Environmental Protection, in consultation with the Department of  
334 Public Utility Control, shall have the authority to conduct an auction  
335 for carbon dioxide credits allocated under the Regional Greenhouse  
336 Gas Initiative. One hundred per cent of funds generated through any  
337 such auction shall be allocated to consumer benefit, including, but not  
338 limited to, energy efficiency programs.

339 Sec. 14. Section 16a-38k of the general statutes is repealed and the  
340 following is substituted in lieu thereof (*Effective January 1, 2008*):

341 (a) Notwithstanding any provision of the general statutes, any (1)  
342 new construction [of a state facility, except salt sheds, parking garages,  
343 maintenance facilities or school construction,] that is projected to cost  
344 not less than five million dollars, [or more,] of which two million  
345 dollars is state funding, and is approved and funded on or after  
346 January 1, [2007] 2008, and (2) renovation of a state facility that is  
347 projected to cost not less than two million dollars, that is financed with  
348 state funds and is approved and funded on or after January 1, 2008,  
349 shall comply with the regulations adopted pursuant to subsection (b)  
350 of this section. The Secretary of the Office of Policy and Management,  
351 in consultation with the Commissioner of Public Works, [and the

352 Institute for Sustainable Energy,] shall exempt any facility from  
353 complying with said regulations if [said secretary] the Institute for  
354 Sustainable Energy finds, in a written analysis, that the cost of such  
355 compliance significantly outweighs the benefits.

356 (b) Not later than January 1, 2007, the Secretary of the Office of  
357 Policy and Management, in consultation with the Commissioner of  
358 Public Works, the Commissioner of Environmental Protection and the  
359 Commissioner of Public Safety, shall adopt regulations, in accordance  
360 with the provisions of chapter 54, to adopt building construction  
361 standards that are consistent with or exceed the silver building rating  
362 of the Leadership in Energy and Environmental Design's rating system  
363 for new commercial construction and major renovation projects, as  
364 established by the United States Green Building Council, or an  
365 equivalent standard, including, but not limited to, a two-globe rating  
366 in the Green Globes USA design program, and thereafter update such  
367 regulations as the secretary deems necessary.

368 Sec. 15. (NEW) (*Effective January 1, 2008*) Any municipality may, by  
369 vote of its legislative body or, in a municipality where the legislative  
370 body is a town meeting, by vote of the board of selectmen, provide a  
371 property tax exemption with respect to any motor vehicle exempt from  
372 sales and use taxes under subdivision (110) or (115) of section 12-412 of  
373 the general statutes, as amended by this act.

374 Sec. 16. Subdivision (110) of section 12-412 of the general statutes is  
375 repealed and the following is substituted in lieu thereof (*Effective*  
376 *January 1, 2008, and applicable to sales occurring on or after said date*):

377 (110) On and after July 1, 2000, and prior to July 1, [2002] 2010, the  
378 sale of any passenger car that has a United States Environmental  
379 Protection Agency estimated highway gasoline mileage rating of at  
380 least [fifty] forty miles per gallon.

381 Sec. 17. Subdivision (57) of section 12-81 of the general statutes is  
382 repealed and the following is substituted in lieu thereof (*Effective*  
383 *October 1, 2007, and applicable to assessment years commencing on or after*

384 *October 1, 2007*):

385 (57) (a) [Subject to authorization of the exemption by ordinance in  
386 any municipality, any] Any Class I renewable energy source, as  
387 defined in section 16-1, or any hydropower facility described in  
388 subdivision (27) of said section 16-1, as amended by this act, installed  
389 for the generation of electricity for private residential use, provided  
390 such installation occurs on or after October 1, 1977, and further  
391 provided such installation is for a single family dwelling or  
392 multifamily dwelling consisting of two to four units, or any passive or  
393 active solar water or space heating system or geothermal energy  
394 resource;

395 (b) Any person claiming the exemption provided in this subdivision  
396 for any assessment year shall, on or before the first day of November  
397 in such assessment year, file with the assessor or board of assessors in  
398 the town in which such Class I renewable energy source, hydropower  
399 facility, or passive or active solar water or space heating system or  
400 geothermal energy resource is located, written application claiming  
401 such exemption. Failure to file such application in the manner and  
402 form as provided by such assessor or board within the time limit  
403 prescribed shall constitute a waiver of the right to such exemption for  
404 such assessment year. Such application shall not be required for any  
405 assessment year following that for which the initial application is filed,  
406 provided if such Class I renewable energy source, hydropower facility,  
407 or passive or active solar water or space heating system or geothermal  
408 energy resource is altered in a manner which would require a building  
409 permit, such alteration shall be deemed a waiver of the right to such  
410 exemption until a new application, applicable with respect to such  
411 altered source, is filed and the right to such exemption is established as  
412 required initially.

413 Sec. 18. Subdivision (63) of section 12-81 of the general statutes is  
414 repealed and the following is substituted in lieu thereof (*Effective*  
415 *October 1, 2007, and applicable to assessment years commencing on or after*  
416 *October 1, 2007*):

417 (63) (a) Subject to authorization of the exemption by ordinance in  
418 any municipality and to the provisions of subparagraph (b) of this  
419 subdivision, [any solar energy electricity generating system which is  
420 not eligible for exemption under subdivision (57) of this section,] any  
421 cogeneration system [, or both,] installed on or after July 1, 1981, [and  
422 before October 1, 2006.] The ordinance shall establish the number of  
423 years that a system will be exempt from taxation, except that it may  
424 not provide for an exemption beyond the first fifteen assessment years  
425 following the installation of a system. The ordinance shall prohibit the  
426 exemption from applying to additions to resources recovery facilities  
427 operating on October 1, 1994, or to resources recovery facilities  
428 constructed on and after that date and may prohibit the exemption  
429 from applying to property acquired by eminent domain for the  
430 purpose of qualifying for the exemption;

431 (b) As used in this subdivision, [(A) "solar energy electricity  
432 generating system" means equipment which is designed, operated and  
433 installed as a system which utilizes solar energy as the energy source  
434 for at least seventy-five per cent of the electricity produced by the  
435 system and meets the standards established by regulation, in  
436 accordance with the provisions of chapter 54, by the Secretary of the  
437 Office of Policy and Management, and (B)] "cogeneration system"  
438 means equipment which is designed, operated and installed as a  
439 system which produces, in the same process, electricity and exhaust  
440 steam, waste steam, heat or other resultant thermal energy which is  
441 used for space or water heating or cooling, industrial, commercial,  
442 manufacturing or other useful purposes and which meets standards  
443 established by regulation, in accordance with the provisions of chapter  
444 54, by the Secretary of the Office of Policy and Management;

445 (c) Any municipality which adopts an ordinance authorizing an  
446 exemption provided by this subdivision may enter into a written  
447 agreement with an applicant for the exemption, which may require the  
448 applicant to make payments to the municipality in lieu of taxes. The  
449 agreement may vary the amount of the payments in lieu of taxes in  
450 each assessment year of the agreement, provided the payment in any

451 assessment year is not greater than the taxes which would otherwise  
452 be due in the absence of the exemption. Any agreement negotiated  
453 under this subdivision shall be submitted to the legislative body of the  
454 municipality for its approval or rejection;

455 (d) Any person claiming the exemption provided in this subdivision  
456 for any assessment year and whose application has been approved in  
457 accordance with subparagraph (c) of this subdivision shall, on or  
458 before the first day of November in such assessment year, file with the  
459 assessor or board of assessors in the town in which the system is  
460 located written application claiming the exemption. Failure to file the  
461 application in the manner and form as provided by such assessor or  
462 board within the time limit prescribed shall constitute a waiver of the  
463 right to the exemption for such assessment year. Such application shall  
464 not be required for any assessment year following that for which the  
465 initial application is filed, provided if such [solar energy electricity  
466 generating system or] cogeneration system is altered in a manner  
467 which would require a building permit, such alteration shall be  
468 deemed a waiver of the right to such exemption until a new  
469 application, applicable with respect to such altered system, is filed and  
470 the right to such exemption is established as required initially.

471 Sec. 19. Section 1 of public act 05-2 of the October 25 special session  
472 is repealed and the following is substituted in lieu thereof (*Effective July*  
473 *1, 2007*):

474 Notwithstanding the provisions of sections 4-28b and 16a-41a of the  
475 general statutes, the Commissioner of Social Services shall [amend the  
476 adopted] adopt a low income home energy assistance program block  
477 grant allocation plan for the [purpose of modifying the 2005/2006]  
478 2007/2008 Connecticut energy assistance program state plan in the  
479 following manner: (1) To increase the basic benefit provided to all  
480 eligible households, including eligible households whose heat is  
481 included in their rent, over the benefit provided for the 2005/2006  
482 plan, prior to the amendment of said plan, by two hundred dollars, (2)  
483 to fund, for the fiscal year ending June 30, 2008, the contingency

484 heating assistance program under the Connecticut energy assistance  
485 program to provide a three hundred dollar basic benefit to eligible  
486 households, as defined in the Connecticut energy assistance program  
487 state plan, whose gross annual income is not more than sixty per cent  
488 of the median state income by household size, and an additional two  
489 hundred dollar crisis assistance benefit for such households who have  
490 exhausted their basic benefit and are unable to secure primary heat,  
491 causing a life threatening situation, (3) to increase the number of  
492 households weatherized pursuant to the Connecticut energy assistance  
493 program, and (4) to increase the number of households receiving home  
494 heating equipment tune-ups and home energy efficiency measures  
495 pursuant to the home energy assistance and reimbursements for tune-  
496 ups on heating equipment grant program as administered pursuant to  
497 subsection (c) of section 2 of [this act] public act 05-2 of the October 25  
498 special session, as amended by section 1 of public act 05-4 of the  
499 October 25 special session.

500 Sec. 20. Subsection (a) of section 16a-41h of the general statutes is  
501 repealed and the following is substituted in lieu thereof (*Effective from*  
502 *passage*):

503 (a) (1) Each electric [and] distribution company, gas company [, as  
504 defined in section 16-1, having at least seventy-five thousand  
505 customers] and municipal utility furnishing electric or gas service,  
506 shall include in its monthly bills a request to each customer to add a  
507 [one-dollar] donation in an amount designated by the customer to the  
508 bill payment. Such company shall provide to all of its customers the  
509 opportunity to donate one dollar, two dollars, three dollars or another  
510 amount on each bill provided to a customer either through the mail or  
511 electronically. Such designation shall be made available and included  
512 where customers are either electronically billed or bill payment is  
513 handled electronically. The opportunity to donate one dollar, two  
514 dollars, three dollars or another amount shall be included on the bill in  
515 such a way that facilitates such donations.

516 (2) Operation Fuel, Incorporated, shall provide fundraising inserts

517 and remittance envelopes to retail dealers of fuel oil that volunteer to  
518 include the inserts and envelopes in their customers' bills for one or  
519 more billing cycles each year. Such retail dealers of fuel oil shall inform  
520 Operation Fuel, Incorporated, as to the number of inserts and  
521 envelopes needed to conduct such a mailing.

522 (3) Each electric, gas or fuel oil company shall transmit all such  
523 donations received each month and match dollars to Operation Fuel,  
524 Inc., a state-wide nonprofit organization designed to respond to people  
525 within the state who are in financial crisis and need emergency energy  
526 assistance. [Donations] Operation Fuel, Inc. shall [be distributed]  
527 distribute donations and match dollars to nonprofit social services  
528 agencies and private fuel banks in accordance with guidelines  
529 established by the board of directors of Operation Fuel, Inc., provided  
530 such funds shall be distributed on a priority basis to low-income  
531 elderly and working poor households [which] that are not eligible for  
532 public assistance or state-administered general assistance but are faced  
533 with a financial crisis and are unable to make timely payments on  
534 winter fuel, electricity or gas bills. Such companies shall coordinate  
535 their promotions of this program, holding promotions during the same  
536 month and using similar formats.

537 Sec. 21. Section 10a-180 of the general statutes is amended by adding  
538 subsection (w) as follows (*Effective October 1, 2007*):

539 (NEW) (w) To make grants or provide other forms of financial  
540 assistance to any institution of higher education, to any health care  
541 institution, to any nursing home, to any child care or child  
542 development facility and to any qualified nonprofit organization in  
543 such amounts, for energy efficient construction or renovation projects  
544 or renewable energy construction or renovation projects subject to  
545 such eligibility and other requirements the board of directors  
546 establishes pursuant to written procedures adopted by the board  
547 pursuant to subsection (h) of section 10a-179.

548 Sec. 22. Section 5 of public act 05-2 of the October 25 special session

549 is repealed and the following is substituted in lieu thereof (*Effective*  
550 *from passage*):

551 Notwithstanding the provisions of section 16a-40b of the general  
552 statutes, as amended by section 5 of public act 05-191, for the fiscal  
553 year ending June 30, [2006] 2008, the range of rates of interest payable  
554 on all loans pursuant to subsection (b) of said section 16a-40b for  
555 purchases set forth in subsection (a) of said section 16a-40b, except for  
556 goods or services relating to [aluminum or vinyl siding,] replacement  
557 central air conditioning, [replacement roofs,] heat pumps or solar  
558 systems and passive solar additions, shall be not less than zero per cent  
559 for any applicant in the lowest income class and not more than three  
560 per cent for any applicant for whom the adjusted gross income of the  
561 household member or members who contribute to the support of the  
562 household was at least one hundred fifteen per cent of the median area  
563 income by household size.

564 Sec. 23. Section 29-256a of the general statutes is repealed and the  
565 following is substituted in lieu thereof (*Effective October 1, 2007*):

566 [The] (a) On and after January 1, 2008, the State Building Inspector  
567 and the Codes and Standards Committee shall revise the State  
568 Building Code to require that buildings and building elements,  
569 including residential, be designed to provide optimum cost-effective  
570 energy efficiency over the useful life of the building. Such revision  
571 shall meet the American Society of Heating, Refrigerating and Air  
572 Conditioning Engineers Standard 90.1 for new construction.

573 (b) Notwithstanding subsection (a) of this section, the State Building  
574 Inspector and the Codes and Standards Committee shall revise the  
575 State Building Code to require that any (1) building, except a  
576 residential building with no more than four units, constructed after  
577 January 1, 2009, that is projected to cost not less than five million  
578 dollars, and (2) renovation to any building, except a residential  
579 building with no more than four units, started after January 1, 2010,  
580 that is projected to cost not less than two million dollars shall be built

581 or renovated using building construction standards consistent with or  
582 exceeding the silver building rating of the Leadership in Energy and  
583 Environmental Design's rating system for new commercial  
584 construction and major renovation projects, as established by the  
585 United States Green Building Council, or an equivalent standard,  
586 including, but not limited to, a two-globe rating in the Green Globes  
587 USA design program. The inspector and the committee shall provide  
588 for an exemption for any building if the Institute for Sustainable  
589 Energy finds, in a written analysis, that the cost of such compliance  
590 significantly outweighs the benefits.

591       Sec. 24. Subsection (b) of section 32-317 of the general statutes is  
592 repealed and the following is substituted in lieu thereof (*Effective from*  
593 *passage*):

594       (b) Except as provided under subsection (c) of this section, any such  
595 loan or deferred loan shall be available only for a residential structure  
596 containing not more than four dwelling units, shall be not less than  
597 four hundred dollars and not more than [~~fifteen~~] twenty-five thousand  
598 dollars per structure and shall be made only to an applicant who  
599 submits evidence, satisfactory to the commissioner, that the adjusted  
600 gross income of the household member or members who contribute to  
601 the support of his household was not in excess of one hundred fifty per  
602 cent of the median area income by household size. Repayment of all  
603 loans or deferred loans made under this subsection shall be subject to a  
604 rate of interest to be determined in accordance with subsection (t) of  
605 section 3-20 and such terms and conditions as the commissioner may  
606 establish. The State Bond Commission shall establish a range of rates of  
607 interest payable on all loans or deferred loans under this subsection  
608 and shall apply the range to applicants in accordance with a formula  
609 which reflects their income. Such range shall be not less than zero per  
610 cent for any applicant in the lowest income class and not more than  
611 one per cent above the rate of interest borne by the general obligation  
612 bonds of the state last issued prior to the most recent date such range  
613 was established for any applicant for whom the adjusted gross income  
614 of the household member or members who contribute to the support

615 of his household was at least one hundred fifteen per cent of the  
 616 median area income by household size.

617 Sec. 25. (Effective July 1, 2007) The sum of five million dollars is  
 618 appropriated to the Department of Public Utility Control, from the  
 619 General Fund, for the fiscal year ending June 30, 2008, for the purposes  
 620 of carrying out the requirements of sections 4 to 8, inclusive, of this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	16-244c(c)
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>July 1, 2007</i>	16-19b(j)
Sec. 4	<i>July 1, 2007</i>	New section
Sec. 5	<i>July 1, 2007</i>	16-245m(c)
Sec. 6	<i>July 1, 2007</i>	New section
Sec. 7	<i>July 1, 2007</i>	New section
Sec. 8	<i>July 1, 2007</i>	New section
Sec. 9	<i>July 1, 2007</i>	New section
Sec. 10	<i>July 1, 2007</i>	New section
Sec. 11	<i>July 1, 2007</i>	New section
Sec. 12	<i>July 1, 2007</i>	New section
Sec. 13	<i>July 1, 2007</i>	New section
Sec. 14	<i>January 1, 2008</i>	16a-38k
Sec. 15	<i>January 1, 2008</i>	New section
Sec. 16	<i>January 1, 2008, and applicable to sales occurring on or after said date</i>	12-412(110)
Sec. 17	<i>October 1, 2007, and applicable to assessment years commencing on or after October 1, 2007</i>	12-81(57)
Sec. 18	<i>October 1, 2007, and applicable to assessment years commencing on or after October 1, 2007</i>	12-81(63)
Sec. 19	<i>July 1, 2007</i>	PA 05-2 of the October 25 Sp. Sess., Sec. 1
Sec. 20	<i>from passage</i>	16a-41h(a)

Sec. 21	<i>October 1, 2007</i>	10a-180
Sec. 22	<i>from passage</i>	PA 05-2 of the October 25 Sp. Sess., Sec. 5
Sec. 23	<i>October 1, 2007</i>	29-256a
Sec. 24	<i>from passage</i>	32-317(b)
Sec. 25	<i>July 1, 2007</i>	New section

**Statement of Legislative Commissioners:**

In section 24, new provisions were inserted into section 32-317 of the general statutes.

**ET**            *Joint Favorable Subst.*